

Durham Research Online

Deposited in DRO:

22 January 2010

Version of attached file:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Dietz, G. and Fortin, M. (2007) 'Trust and justice in the formation of joint consultative committees.', *International journal of human resource management.*, 18 (7). pp. 1159-1181.

Further information on publisher's website:

<http://dx.doi.org/10.1080/09585190701391867>

Publisher's copyright statement:

Additional information:

Use policy

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a [link](#) is made to the metadata record in DRO
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Please consult the [full DRO policy](#) for further details.

**TRUST AND JUSTICE IN THE FORMATION OF JOINT CONSULTATIVE
COMMITTEES.**

Graham Dietz & Marion Fortin, Durham Business School.

Accepted for publication in *International Journal of Human Resource Management*.

Abstract.

The paper identifies six phases in the creation of new joint staff-management consultative arrangements such as a works council, or 'staff forum'. Trust and justice theories are then used to analyse the processes involved in initiating, designing, setting up, and maintaining such a forum. The resulting framework considers both institutional and interpersonal aspects, and is intended to present researchers with a structure and an agenda for investigating the nature and consequences of the processes involved. The framework also provides initial guidelines to practitioners involved with establishing new consultative arrangements.

TRUST AND JUSTICE IN THE FORMATION OF JOINT CONSULTATIVE COMMITTEES.

This paper presents a theoretical framework for understanding the *processes* involved in designing, setting up, and maintaining new joint staff-management consultative arrangements such as a works council, or ‘staff forum’ (hereafter, for convenience, a ‘JCC’). While we are only concerned with *new* JCCs, many of the arguments made are also likely to be valid for the adaptation of pre-existing arrangements.

The literature on these processes is surprisingly thin. While the meaning and content of *existing* consultative mechanisms has been explored in depth (Dundon et al., 2004; Wilkinson and Ackers, 1995; Trevor, 1988; Marchington, 1987; Marchington et al., 2001; Gollan, 2001), we found very little on the creation of *new* joint consultative committees. The exception is Broad’s longitudinal study (1994) of the Company Council set up at a Japanese-owned manufacturing plant in Wales. Broad records the dynamics of the consultation from inception, and concludes that the mismatch in participants’ emergent expectations made the forum inherently fragile.¹ There is rather more consultant-produced material, including guidelines and case studies from ACAS (2005), the CIPD (Beaumont and Hunter, 2003; Wilmott, 2004), and the IPA (2001), but this work tends, understandably, to be descriptive and prescriptive rather than explanatory.

¹ Broad split his longitudinal study into three phases: early, intermediate and a ‘later’ stage. He found that the managerially-imposed Council, which suffered from little administrative or facilitative support structures, proved an anonymous and hence ineffective forum for airing employees’ opinions, or for getting managers’ message back to the shopfloor (which had been the managers’ principal aim). Within 12-18 months workers began to complain about the Council’s limited instrumentality and of their initially high expectations being dashed (ibid: 31-35). Broad believed that “employee dissatisfaction with consultation could be explained by the performance of representatives and by the perception that the remit of the Council was too narrow” (ibid: 35). The sense of frustration swelled to the point where the employees forced union recognition on the company, and the EEPTU union quickly realised that the Council would only “deliver tangible results” if pressures were concurrently applied through the new collective bargaining processes (Broad, 1994: 33). Broad concludes: “Paradoxically, it is the perceived failure of the unitarism of joint consultation which has given additional credence to active shopfloor union involvement” (ibid: 37).

This gap in the literature is all the more surprising since a decade has elapsed since Kessler and Purcell concluded their 1996 study of joint working parties by wondering why “so little attention [is] paid to the key issue of *processes* that make works councils or joint consultative committees more or less successful?” (1996: 680). The arrival into UK law of the EU’s Information and Consultation Directive regulations has provided the contextual impetus for reviving this research agenda. Over the next few years, a perhaps unprecedented number of new JCCs will be established in Britain. Researchers have a rare opportunity to study the design and implementation of joint consultative committees ‘from scratch’. To drive this future research agenda, theoretical frameworks and models are needed for describing the processes of establishing JCCs and for predicting and explaining their character and outcomes over time, as well as for guiding practitioners with some of the ‘milestone decisions’ they will face.

The establishment of a JCC - an organisation’s managers providing a formal representative voice to employees, employees articulating their interests to managers via a representative delegation, with potential implications for organisational decision-making – entails shifts in the exchange relationship (Blau, 1964) between the two constituencies involved. Theory is therefore needed to help understand the dynamics of this shifting exchange and how parties deal with the risks involved. Such theory should be capable of generating predictions and explanations of these dynamics *over time*, and should focus upon the *attitudes and behaviours* displayed by the parties involved (Marchington, 1994: 685).

In this paper, we use existing bodies of knowledge on the creation and consequences of both trust and justice perceptions as our theoretical lenses through which to examine these dynamics. We draw on both literatures, separately and in tandem, to generate a series of testable predictions and practitioner advice for each stage of establishing and maintaining a JCC, to predict the likely

impact of different aspects of a JCC's creation, and to explain a variety of observed outcomes. Our proposed framework suggests that different elements of trust and justice are likely to be experienced directly at different stages, and the relative salience of these different elements for the process will vary across the stages.

We first present an overview of each construct, before outlining our rationale for looking at JCCs through these lenses. Consequently, we develop our staged process model, according to current understanding of trust and justice processes. The implications of the proposed model for practice and future research are discussed.

Trust.

Most conceptualisations of trust depict a three-stage process (McEvily et al., 2003) whereby the *decision* to trust another - what Rousseau, Sitkin, Burt and Camerer (1998: 395) define as “the intention to accept vulnerability based upon positive expectations of [their] intentions or behavior” – is based on *beliefs* about that party's trustworthiness (Lewicki et al., 1998). The decision to trust should lead to *acts of trusting*, manifest in ‘risk-taking in the relationship’ (Mayer et al., 1995), such as increasing one's reliance on the other party, the disclosure of sensitive information, and deliberate reduced monitoring (see too Dirks and Ferrin, 2001).

Mayer, Davis and Schoorman (1995) propose three distinct factors that constitute trustworthiness: *ability* (the other party's capacity to perform competently and reliably), *benevolence* (the other party's genuine care for the well-being of the trustor), and *integrity* (the other party's consistent adherence to moral principles and conduct acceptable to the trustor, such as honesty, openness, fairness, and promise fulfilment). In any relationship based on trust - whether it be positive or negative (i.e. distrust), or both (Lewicki et al., 1998; Saunders and

Thornhill, 2004) - individuals appraise multiple sources of evidence for each of these characteristics, and aggregate their impressions into an *overall* evaluation of the trustworthiness of their target. This evaluation can encompass both trust and distrust, depending upon the trustworthiness factor under consideration. Two sources of trust evidence are expected to influence participants' engagement with the JCC: the trustworthiness of the voice process itself (i.e. the structures and protocols of the JCC: what Zucker (1986) terms 'institutional' forms of trust), and the trustworthiness of the committee's members (i.e. the interpersonal trust forged among the participants). Throughout our framework we consider each source of evidence.

We aim to specify which of the three characteristics of trustworthiness will be most influential during which phase, and the events that can enhance or damage impressions of each characteristic. Benevolence and, in particular, integrity are typically considered more emblematic of trustworthiness, based on Reeder and Brewer's (1979) 'hierarchically restricted schema', a psychological asymmetry whereby individuals tend to weigh positive information concerning parties' *ability* more heavily than negative information, but negative information more heavily than positive information when related to *integrity* (see Kim et al., 2004). Failures of ability can be understood as 'cock-ups' if the overall evidence of competence is positive whereas, by contrast, even single examples of compromised integrity will damage impressions of trustworthiness most, and can even cripple relationships for a long period after the actual incident. Hence, integrity (i.e. honesty, sound moral judgement) is a vital quality for a JCC and its participants to embody, and the worst trait to abuse.

Turning to theories of trust development, Lewicki and Bunker's (1996) influential sequential model is divided into early, developing and mature phases, wherein the quality, or degree, of trust increases or decreases over time, according to the accumulation of evidence on the other

party's trustworthiness. McKnight, Cummings and Chervany (1998) provide a further model for 'initial trust formation in new organisational relationships'.² They posit that initial trust will emerge according to parties' pre-disposition to trust, the presence or otherwise of institutional structures, and various cognitive assessments of the other party's conduct. Their essential premise is that the more positive antecedents of trust there are available to protagonists, the less fragile the initial relationship will be (1998: 482). However, once the initial exchanges have passed, new trust-building processes assume greater importance.

The single empirical study of trust in formal JCC arrangements we could find was Kerkhof, Winder and Klandermans' study (2003) of Dutch works council members' trust in management. This found evidence for both instrumental and relational antecedents, with the relational aspects correlating more strongly. Other studies on trust and consultation/ voice include Kessler and Purcell (1996) on joint working parties – not strictly comparable to a JCC scenario – which found high levels of trust in successful cases. Driscoll (1978) examined employees' individualised engagement in voice mechanisms, and reported that two aspects predicted satisfaction: "individuals' participation in decisions (especially the fit between desired and perceived participation) and individuals' trust in organisational decision-makers" (Driscoll, 1978: 53). Spreitzer and Mishra (1999) examined what influenced senior managers' decision to engage with their workforce in 'employee involvement' generally, rather than formal consultative processes *per se*, and found that each dimension of employees' trustworthiness (their competence, concern, reliability and openness) reduced managers' perceived vulnerability.

Justice.

² For the authors, such a scenario is when parties have had no firsthand knowledge or experience of the other party. While this is unlikely to apply to the situation of a new JCC - where, typically, reps and managers will know (of) each other – their model offers compelling insights into our scenario.

The related yet distinct concept we have chosen to complement the trust lens is organisational justice, defined as “the psychology of justice applied to organizational settings” (Byrne and Cropanzano, 2001, P 4). Perceived organisational justice has been shown to have effects on people’s attitudes, behaviours and outcomes, including motivation, well-being, performance, stealing, and even sabotage (Folger and Cropanzano, 1998). Commonly, justice researchers differentiate between distributive justice, procedural justice, interpersonal justice, and informational justice (see Folger and Cropanzano, 1998; Colquitt et al., 2001).

Taking each in turn briefly, distributive justice concerns the fairness of outcomes. People use different rules for different situations and types of relationships, including equity, equality and need (e.g., Leventhal, 1976; Deutsch, 1975; Sampson, 1975). However, distributive justice in work contexts is primarily based on perceptions of equity of outcomes received, typically derived from comparisons with referents or expectations (i.e. what party X believes that they *deserve*) (Adams, 1965; Blau, 1964; Homans, 1961). In a JCC context, a comparison might for example be made with consultation outcomes in other organisations, or with pre-JCC outcomes.

Procedural justice is the fairness of the decision-making processes leading to the outcomes (Thibaut and Walker, 1975). Process control, which justice researchers mean by the term “voice” (being able to voice one’s opinion during the procedure), is distinct from decision control (the ability to influence the outcome). In simulated dispute-resolution procedures, process control was shown to increase fairness perceptions of verdicts and acceptance, even if the outcome could not be influenced. This finding has since been confirmed in a variety of contexts (Lind and Tyler, 1988). While “voice” (as in being able to state one’s view) has been the most frequently researched aspect of procedural fairness, other criteria have been identified, including consistency across people and over time, the absence of bias, accuracy, mechanisms for

correcting wrong decisions, adherence to prevalent conceptions of morality, and ‘representativeness’ (taking into account the opinions of all groups affected) (Leventhal, 1980).

Interactional justice is concerned with the interpersonal treatment people receive as procedures are enacted (Bies and Moag, 1986; Bies and Shapiro, 1987; Bies and Shapiro, 1988; Bies et al., 1988). This dimension is often split into two elements: the quality of personal treatment, respect and sensitivity on the part of people enacting the procedures or determining outcomes, termed ‘interpersonal justice’ (Greenberg, 1990), and the amount and quality of information and explanations given for decision-making procedures and outcomes in terms of clarity, adequacy and sincerity of communications, which is termed ‘informational justice’ (Bies et al., 1988; Greenberg, 1993).

Scholars have studied the interactions among the different types of justice. Under fair process conditions even unfavourable outcomes can be perceived as fair, known as the ‘fair process effect’ (Van den Bos et al., 1998). The opposite phenomenon, the ‘fair outcome effect’, has also been observed: in scenarios when no explicit information on procedural fairness is available, people perceive the process as less fair when the outcome is unfavourable, but as more fair when the outcome is favourable (see Cropanzano et al., 2001). Further contributions also propose a ‘fair information effect’, whereby procedures and outcomes are perceived to be fairer when an explanation for the decision is offered (Bies and Shapiro, 1987; Shaw et al., 2003)

The formation of justice judgments has been explained on the basis of three forms of counterfactual thinking (Folger and Cropanzano, 2001). Blame is only assigned for unjust behaviour if an unfavourable condition has occurred (“would” it be better otherwise?), and the harm-doer has acted with discretion (“could” he/she have acted in a different way?), and the

action has violated an ethical principle (“should” he/she have acted differently?). If expectations regarding outcomes, procedures or treatment are disappointed, feelings of injustice are likely to result. Importantly, justice *anticipations* have similar effects to justice *perceptions*, in that the mere anticipation of injustices causes people to react negatively (Shapiro and Kirkman, 2001). However, there is evidence that personal direct experience lead to much stronger judgments and reactions than mere expectations (Ambrose and Cropanzano, 2003).

Why use trust and justice to examine JCCs?

First, the introduction of a new JCC constitutes a re-configuration of the exchange relationship between managers and employees/employee representatives. It is likely to be an unfamiliar and hence uncertain scenario and experience for most, if not all, parties. More importantly, ‘voice’ adjusts the distribution of power in any relationship, however partially, through increased information flows, access to sensitive information, and rendering decision-making processes more transparent and potentially alterable. This entails risks for all parties. Spreitzer and Mishra saw managers facing the paradox of how to “give up control without losing control” (1999: 156) – a phrase that, unconsciously or not, echoes Alan Fox’s (1974) famous remark that “to regain control managers must share it” or, perhaps, Ramsay’s (1976: 137) arch paraphrasing: “to regain control by making a show of appearing to share it”. For employee representatives, there is the risk of taking part in a forum that may not have the unequivocal support of senior management, and hence marking oneself as a ‘troublemaker’. There is also the risk involved in assuming joint responsibility for decision-making outcomes forged in the JCC. In sum, both managers and employee representatives face a “fundamental social dilemma” (Lind, 2001: 61), wherein gains are expected to come from collaborating, but collaboration entails risks of vulnerability. Trust and justice perceptions are major influences on how parties manage this “fundamental social

dilemma”, and risk in general: trust helps people to decide how to respond, and people draw on fairness judgments in the absence of clear information on trustworthiness (Lind, 2001).

Second, trust and justice emerge as important constructs throughout the JCC process, acting as *antecedents*; as *determinants of the process* itself; as *outcomes themselves*; and as influential *mediators or moderators* on other outcomes. In this respect, the two constructs offer a comprehensive and integrative theoretical framework for the entire life-cycle of the JCC.

Third, and relatedly, trust and justice judgments are dynamic. They develop over time and are enhanced or damaged *in line with updated evidence* from what transpires. Each allows for, and can predict and explain, vicious and virtuous cycles of engagement (cf. Heller et al., 1998: 212), and for *switches* between these two fates. Either and both can explain why parties might agree, or disagree but retain good relations, or fall out permanently; they can also accommodate and explain forgiveness and redemption in a poor relationship, and a fall from grace in a good one.

Fourth, we use trust and justice in tandem for reasons of their mutual complementarities (Brockner & Siegel, 1996; Kerkhof et al., 2003; Lewicki et al., 2005; Saunders et al., 2002), but also for their distinctive insights. Elements of trust explain particular aspects of the JCC process that justice cannot, and *vice versa*. Theory and case study accounts support the presence of both sets of judgements, and this simultaneous usage.

Fifth, institutional, organisational or structural procedures and interpersonal conduct are significant determinants of the effectiveness of JCCs (see Granovetter, 1985). In tandem, our two theories encompass parties’ perceptions of trustworthiness and fairness, and resulting

reactions, as generated by the JCC's rules and protocols of engagement, and which emerge from the relational interactions among the people sitting on the JCC.

The five-stage process.

We now turn to our main task of examining the creation of JCCs through these two lenses. Since no stage models for the design, implementation and maintenance of a joint consultative committee appeared to be available in the academic literature, we examined the guidelines and detailed case studies produced by leading consultants and advisory bodies, including ACAS (2005), the CIPD (Marchington et al., 2001; Beaumont and Hunter, 2003; Wilmott, 2004), and the Involvement and Participation Association (IPA, 2002; IPA, 2004a; IPA, 2004b; IPA, 2005) to identify the six phases depicted in Figure 1:

Insert Figure 1 (six stages) about here

Our framework rests on the thesis that participants' attitudes, reactions and behaviours are crucial determinants of a consultation process (cf. Marchington, 1994), and that these are largely determined by participants' perceptions of trustworthiness and fairness which, in turn, are evident in the process of creating the JCC itself, and from interactions with fellow JCC participants. These perceptions evolve with the cycle of events (Figure 1). The setting of trustworthiness and justice expectations, whether parties share common or conflicting expectations, and whether expectations are confirmed or disconfirmed, determine whether a JCC will be effective, in terms of conduct, process and outcomes.

In the remainder of the paper, we describe and discuss how our two theoretical lenses can be used to explain the interactions and likely outcomes that can emerge at each stage. We include in

our analysis and discussion commentary on the effects of structures, processes, and conduct, and we analyse which aspects of justice and trustworthiness we expect to be particularly salient at each stage. Through our analysis, we suggest a number of predictions and recommendations. For parsimony, we confine our discussion primarily to the direct exchange relationship between the participants on the JCC (management delegates and employee representatives: see Figure 2). Other organisational relationships – featuring, for example, the firm’s owner (if not involved in the JCC), its non-JCC participant managers, its HR function (where present), its trade union representatives (where present) and the workforce - will have an impact on our main relationship of interest, but it is beyond the scope of a single paper to track each of these dynamics.

Insert Figure 2 (different relationships) about here

Understanding pre-voice history (Stage T_1).

JCCs emerge in the context of prior relations among the main constituencies (Kessler and Purcell, 1996: 668), which we term the ‘pre-voice history’. This amounts to participants’, and their constituents’, accumulated evidence about the other parties - what the employees think of the managers, and vice versa – which informs parties’ expectations about the *likely* levels of trust and fair treatment and outcomes in any future consultative process (Shapiro and Kirkman, 2001). Given that people “generally select, interpret and recall information to be consistent with their prior beliefs or theories” (McKnight et al., 1998: 484), pre-dispositions and previously formed trustworthiness and fairness judgments (fairness heuristics: Lind, 2001) will be highly influential in the early stages. Levels of perceived justice (distributive, procedural, informational) and trust in the other party, derived from the pre-voice history, are expected to have a direct effect on parties’ perceived need for a JCC. These judgements also act as powerful *antecedents* to each subsequent stage in the process. The pre-voice history will have two initial effects: on who

‘triggers’ the initiation of a JCC and why (which is closely linked to parties’ initial support for, and commitment to, any future JCC) and secondly the willingness of the two parties to collaborate. We present two broad scenarios: a generally negative pre-voice history, and a generally positive pre-voice history.

If prior relations have witnessed perceived injustices and/or suffered from a breakdown of trust, we predict that employees will be more motivated than managers to ‘trigger’ a request for a JCC, as a way to achieve redress. Employees will also be more likely to *actively* support the JCC that emerges (e.g. a surfeit of willing nominees, a good turnout in elections), and to direct energy toward its success (e.g. plenty of agenda items generated from the shopfloor). However, since owners, and senior managers, have the organisational power to determine the nature of the JCC that materialises we expect the eventuality of an employees’ trigger to be moderated by owners’, and senior managers’, support for, and commitment to, the principle of joint consultation. In negative pre-voice scenarios, management may support the employees’ request in order to seek redemption from previous relationship failures or as a means of breaking a damaging cycle of relations, or because of a belief in the benefits of joint consultation. Alternatively, managers may be wary of supporting the provision of voice to a group of employees that, previous experience suggests, is likely to be hostile. In this scenario, managers may move to deter or block progress toward a JCC. Or they may seek to install a weak, ‘non-invasive’ forum. Trust and justice theories suggest, however, that a failure to address employees’ concerns by resisting calls for a JCC would likely exacerbate feelings of injustice, and diminish managers’ perceived trustworthiness further.

A problem for a JCC born into a hostile organisational context is that a lack of trust has been consistently found to be problematic for initiating collaboration. Kramer (1996) found that

people in such relationships were prone to “hypervigilance”, “paranoid cognitions” and “sinister attribution error”, making collaboration very difficult to establish. Similarly, high levels of anticipatory distributive injustice have proven to be positively related to resistance to change, and negatively related to employees’ commitment to team goals (Shapiro and Kirkman, 1999). Thus, even following an employees’ trigger, collaboration will be much harder to secure in such a scenario. Efforts will be needed to overcome the pernicious and inertial effects of a negative pre-voice history. Failure to address poor prior relations will likely scupper any fledgling forum.

The other scenario is a prior history of mutual trust and perceived fairness within the establishment. Of interest here is Driscoll’s finding (1978: 54) that ‘voice’ had little effect on relationships already characterised by high levels of trust: if one’s interests are already being addressed, a JCC forum may be viewed as a superfluous ‘talking shop’. Hence, we predict that employees will be unlikely to trigger JCCs in organisations enjoying generally positive relationships – unless they anticipate future needs for more structured consultation arrangements. Instead, we predict that in benign scenarios *managers* themselves are more likely than employees to initiate the creation of the JCC proactively. Their motives may vary as for the negative scenario: one motive may again be a ‘defensive’ tactic against more ‘burdensome’ arrangements being imposed upon them (Wilmott, 2004), or a desire only for minimal compliance with regulatory requirements, while a pro-voice motive might stem from commitment to a systematic process for employees’ involvement in organisational decision-making, perhaps as part of a ‘sophisticated’ approach to employee involvement/HRM. We further expect that managers’ support for joint consultation in principle and managers’ trust in employees (based on pre-voice history) will interact to determine managers’ support for a JCC. The result is subject to the relative strength of each belief: even pro-voice managers will likely be reluctant to support a JCC if they consider their employees to be untrustworthy (e.g.

incompetent, of malign intent, or dishonest), whereas managers' support for joint consultation in principle may outweigh concerns over employees whose motives and capabilities are not known, ambivalent or untested. However, a positive pre-voice history of trust pre-dispositions and fairness judgments will have a positive effect on parties' willingness to collaborate.

Given their hypothesised moderating influence on whether a JCC is triggered (in either pre-voice history scenario), British managers' known antipathy toward *any* forms of representative voice at work,³ coupled with the Directive's potentially formidable stipulation for employees to secure the support of 10% of the workforce for a JCC, might explain why so few have been established since the Directive came into force.

With the JCC *itself*, parties have the opportunity to break with the vicious *or* virtuous cycle of past relations, or to cement expectations accordingly. If parties are aware of trust and justice dynamics, the effects of proxy prior experiences can be mitigated by fresh, clear, direct evidence to the contrary produced during the establishment of the *actual* JCC. Providing observable commitment to an effective voice process should enhance perceived trustworthiness and perceived justice, and help to confront scepticism or hostility, whereas not to do so may confirm cynics' misgivings or fail to overcome suspicions. The first opportunity is the design of the regulations that govern the JCC.

The design of the JCC, and the process of designing. (Stage T₂).

McKnight and colleagues (1998) cite 'situational normality' - the belief that success is likely because everything seems to be "in order", including people in their "normal roles" - as a key

³ Previous research has found ambivalence, if not outright hostility, among British managers to joint consultation (see Broad, 1994; Guest and Peccei, 2001; MacInnes, 1985; Marchington, 1987), with managers of small-medium enterprises – which are about to fall under the EU Directive's scope - even more reluctant (see Cully et al., 2000).

institutional cue for trustworthiness development. However, a JCC, especially an organisation's first ever attempt to formalise consultation, will be an abnormal situation for most participants, even if they know each other, as everyone will be in unfamiliar roles. This leaves the second institutional support, structurally-derived assurances such as regulations and commitments.

What we call the JCC's 'protocols' are important determinants for the development of trust and justice for at least four reasons. First, information about the other party is likely to be "very incomplete when the relationship begins" (McKnight et al., 1998: 479). In the absence of direct observations of the other party in JCC situations, institutional supports will be highly influential in the very early phases. Participants will look for, and find, in the JCC's design indicators of likely future experiences of trustworthiness and justice. Trust and justice can be 'designed in', or out. Second, the design phase is perhaps the most important period for developing *procedural* fairness for the whole process, since the design will likely be participants' first direct indication of procedural fairness in the actual JCC. Third, constraints built into the design can shape participants' conduct. Protocols make explicit, and hence understood and shared, what all participants' expectations should be on potentially contentious aspects of the JCC such as its remit, scope, and appropriate conduct, and by so doing can discourage the kinds of inconsistencies, abuses and disappointed expectations that lead to perceived injustices, and compromised trustworthiness (Perrone et al., 2003; Slovic, 1993). As institutional sources of evidence, protocols serve as proxies for real (i.e. directly observed) justice and trustworthiness: "Believing that a situation is bounded by safeguards enables one to believe that the individuals in the situation are trustworthy" (McKnight et al., 1998: 479). Fourth, in the absence of an effective design, the JCC's effectiveness is more dependent upon the quality of interpersonal engagement among its member participants which, given human fallibility and the potentially conflictual agenda of the forum, increases the scope for lapses or violations of fair treatment.

This is inherently riskier. Neither the Directive⁴ nor the various consultants' guidelines deliver much specification on design or process, in the understandable desire to avoid prescriptive 'one-size-fits-all' models. As a consequence, the protagonists themselves must create fairness norms and build trust. Protocols can aid this process through, first, setting realistic expectations and establishing shared understandings of engagement and, second, restricting unfair actions in the actual JCC. Both can have a positive effect on trust and justice in the JCC and on participants' willingness to support the JCC, and hence the fledgling forum's sustainability. The design phase should feature an attempt to produce a protocol outlining expectations on four main issues: what constitutes consultation; information sharing and handling (sensitive) information; JCC membership and members' rights and obligations, and standards on behavioural conduct.

The fluid definitions available for information sharing versus consultation versus bargaining and negotiation may lead to incompatible expectations among participants. Disappointed expectations are likely to lead to negative justice judgments (Folger, 1986), and damaged trust.

Thus, one set of protocols should cover "where consultation sits on the line between the formal

⁴ The default position in the Directive aspires toward the development of trust and justice in some respects, but militates against it in others. The first positive contribution is that "whatever arrangements are in place they *must be agreed with employees*. Management cannot unilaterally impose the arrangements" (DTI, 2005). Thus, the design phase requires, at minimum, that employees endorse the design, but the intention seems to be that managers and employees should engage directly in *joint* design. As we argue, this joint process can nurture direct evidence of the other party's trustworthiness, and commitments to justice – or not. Second, consultation is defined as "the exchange of views and establishment of dialogue between the employees' representatives and the employer... *with a view to reaching an agreement*" (emphasis added). The presence of this aspirational latter clause can shape participants' pre-disposition toward trust and commitment to all forms of justice. Third, the iterative stages of consultation envisaged are the sharing of information at such time, and in such fashion and with such content as is appropriate to enable employees' representatives to conduct an adequate study and prepare for consultation; the response from the employee representatives at the JCC; management's response to the representatives. On the positive side for trust and justice development, these strictures reflect specifications for *meaningful* voice (cf. Kessler & Purcell, 1996), and do allow for the *prospect* of procedural and informational justice and integrity to emerge. The clear aspiration is that the forum reaches a mutually acceptable agreement (i.e. indicative of benevolence and distributive justice). Fourth, the Directive specifies a consultative agenda that covers both parties' immediate interests - the undertaking's economic situation, recent and probable strategic and operational activities, and any decisions likely to require substantial changes to the organisation of work, future employment and contractual relations (ACAS, 2005) - and is one on which mutually beneficial decision outcomes *may* be realised. But the *may* is important. The obvious weakness of the Directive's conditions is that all of the above is only *aspirational*. The regulations do not insist that there be an agreement, nor do they provide any of the sanctions or incentives found in the Dutch and German national works council legislation that can *compel* participants to reach a common position. In other words, the Directive facilitates a very broad scope of choice for how the *process* of consultation takes place in practice.

noting of views and joint decision-making, and what each party expects from it” (IPA, 2001: 12): what Beaumont and Hunter (2003) call “consultation about consultation”.⁵ Justice theories point toward the JCC needing at minimum to be seen to be capable of delivering outcomes that are considered “fair” (distributively just), and trust theories highlight the importance of at least non-detrimental, and ideally, beneficial outcomes in order for trust to develop. It follows that the employees’ input opportunity must be genuine and potentially influential on managers’ thinking and final decisions, and that the employee representatives’ support for the JCC’s decisions must be credible and influential with the workforce. If this degree of influence is built into the design, it can encourage mutual confidence in the JCC’s *ability* as an institutional arrangement to effect change (i.e. its credibility and instrumentality), and the ability of the participants as well. The likelihood of receiving fair and/or beneficial outcomes may also be interpreted as demonstrating both parties’ benevolence, and will increase anticipated distributive justice (Shapiro and Kirkman, 2001). In addition, employees who have demanded a JCC may see the facilitation of a broad agenda, covering all matters of direct relevance to them, as indicative of managerial benevolence, while a restrictive agenda, especially in the face of employees’ demands for greater input, is likely to fuel concerns over benevolence (e.g. “they won’t listen to us”) *and* integrity (e.g. “what are they hiding?”). Without this capacity, we predict that no JCC will prosper and survive long, as disconfirmed expectations or unrealised ambitions will generate apathy and cynicism (see too Heller et al., 1998). This echoes Driscoll’s finding (1978): provide the voice that is desired. However, given that both fairness and trust require expectations to be *met*, the influence of the JCC should be made explicit and should be achievable.⁶

⁵ According to the IPA, corporate policy matters typically necessitate an exchange of views, operational policies require more significant input from employees, while complex changes to working arrangements may benefit from establishing an adjunct ‘joint task force’.

⁶ Wilkinson and Ackers (1995: 855) cite a company handbook statement from a Japanese firm about the role of its works council: “The Company Council is not a ‘talking shop’ without muscle, neither is it a traditional ‘works council’ where managers and employee representatives sit and glare at each other from entrenched positions. It exists to share information, pool ideas, represent staff and company interests and come to agreed conclusions. It cannot dictate to Japanco what policy will be, but it can and will influence the company’s future direction in the

A second set of protocols concerns how information is distributed, when and to whom, and how it should be handled. Expectations regarding information exchange have an obvious impact on informational justice. Such judgments depend on the information received being timely and adequate (Greenberg, 1990; Colquitt, 2001) - subject to expectations. The extent of information sharing will also part-determine the perceived fairness of JCC *outcomes*, since adequate explanations (i.e. full information sharing) for unpopular decisions can offset the negative impact of unfavourable decision outcomes (Brockner and Wiesenfeld, 1996). The meta-review by Shaw, Wild and Colquitt (2003) found that both explanation provision and explanation adequacy were found to be positively related to procedural and distributive justice perceptions. Being given timely and adequate information is crucial for developing the ability of the reps to prepare a meaningful response. As such, low levels of information sharing – especially if this becomes systematic - will quickly render the JCC impotent and trivialised, and lead to its neglect. Interestingly, information need not necessarily be confidential or sensitive for informational justice to be perceived, yet the disclosure of *sensitive* information is a trust-inspired risk-taking act (Mayer et al., 1995), and constitutes a signal of wishing to invest in relationship development (i.e. benevolence). Without both parties taking the risks of information sharing in confidence, it is difficult to envisage a trusting JCC. However, this raises difficult challenges for participants' integrity. The spirit of the Directive seems to intend for managers to provide full, honest and timely disclosure of relevant organisational information, and for employee representatives to respect sensitivities and confidentiality concerns. In practice, it seems that confidentiality is seldom a problem (IPA, 2001: 15). Securing full and honest

mutual interests of Japanco and its employees. The biggest enemy and brake on progress is apathy. If we lose interest in supporting the Company Council and its members then the company may stagnate and rot can set in – be active and participate”. Note how it establishes clear expectations not only on the nature of procedural and behavioural engagement, but also on its remit and influence. It also uses language to encourage trust through appeals to common interests, and caricatures of antagonistic engagement. It also identifies likely pitfalls.

information may be harder. For managers to feel confident in taking this risk they will need to already trust the representatives (cf. Spreitzer and Mishra, 1999), and so pre-voice history will have a direct bearing on whether, when and how much information is shared, and the quality and sensitivity of the information.⁷

JCC membership and members' rights and obligations form the third set of protocols. The criteria for procedural justice identified by Leventhal - representativeness, no bias, conformity to morality, existence of recourse mechanisms, consistency, reliance on good information (Leventhal, 1980) - are likely to act as important antecedents in the context of JCCs. We have examined good information above. Taking the others briefly in turn, the credible representativeness of the JCC's delegates themselves with respect to the organisation's various constituencies and employee types (ACAS, 2005), enhances their perceived credibility and the instrumentality of the JCC as a structure: its ability and integrity, in trust terms. Clearly there should be no managerial appointees, and the elections must be seen as fair and free from bias. This can also inspire confidence in the efficacy of the forum in articulating the workforce's concerns, and the integrity of the JCC process and its organisational sponsors. Curiously, the consultant-produced guidelines tend to overlook the representativeness of the management delegation. For a JCC to be able to deliver tangible beneficial outcomes, and to have instrumentality (i.e. to generate among different parties expectations of ability and the potential for distributive justice), it follows that the participating managers, who tend to be appointees only, should contain recognisably influential strategic decision-makers (ACAS, 2005). Access to power is vital, without which JCC members will soon learn that the forum lacks any real capacity to modify organisational decision-making, and that this resides elsewhere. This will

⁷ ACAS (2005) and the IPA (2001) recommend that information sharing should begin when the employer has a relatively solid, but not yet finalised, proposal to inform and consult about. Note how this is indicative of informational justice. The information must precede any final decision for the JCC to even be capable of delivering procedural and distributive justice.

prove corrosive of trust and justice, especially if the JCC has been promoted as an *effective* employee voice. Guidelines and input opportunities should not systematically favour some JCC members over others (no bias). Recourse mechanisms will further enhance procedural justice, and integrity. Consistency of procedures across people and across time can be improved by the mere fact that protocols are developed – provided they are implemented consistently of course.

Finally, interpersonal fairness has been shown to be a particular critical determinant of employee reactions in situations of change (Thornhill and Saunders, 2003). We anticipate a similar effect with new JCCs. Official protocols on participants' behavioural standards not only send indicative cues as to parties' motives for future conduct, improving anticipations of future conduct but also, as *public commitments*, can constrain contrary behaviours. Examples include treating participants with respect and due consideration to their opinions, honesty, avoiding aggressive or insulting behaviours, abiding by 'Chatham House' rules, etc. Importantly, such protocols should not exclude the option of dissent, but dissent should be articulated constructively.

Three caveats apply to the anticipated effects of protocols. First, such strictures cannot *ensure* just and trustworthy conduct; these qualities are ultimately shaped by direct experience of interpersonal relations. This illustrates the complex interplay between institutional structures and relational conduct. Interpersonal relations may in part make up for a badly designed JCC in that personal goodwill can lead to a joint revision of the formal terms of engagement, but poor interpersonal relations may eventually undermine even an exemplary design. The second caveat relates to the enduring research issue as to whether people's trustworthiness is perceived to be of their own volition and hence genuine, or is deemed only to have been secured through compliance with protocols and hence may not be sincere (Sitkin and Roth, 1993). Given the

seeming superiority of volitional trustworthiness, too many protocols may be interpreted as excessive *a priori* constraint, signalling low trust and low anticipated justice. Sitkin and Roth (1993) have argued that regulations only address reliability concerns, and not *value* concerns (e.g. justice, benevolence, integrity) – this remains an area for future research in JCC contexts. The right balance of protocols may differ according to context. With a poor pre-voice history, more and detailed protocols are likely to be required; with a more benign history participants may not see the need for extensive protocols. However, both McKnight and colleagues' model (1998) and the supremacy of procedural justice concerns at the outset of the JCC (see Ambrose and Cropanzano, 2003), do suggest that protocols will help to facilitate trust and justice in the difficult, uncertain, early phases.

Lastly on design, our framework suggests that many of the potential insecurities above can be diminished through the *jointly undertaken* creation of these protocols: employees and managers together. This will mean that participants engage with each other, and experience directly cues on the trustworthiness and interpersonal fairness of the other party, rather than having to abstract possible inferences from the JCC's institutional structures. Joint designing also adds to the procedural justice criterion of “representativeness”, since the resulting design is more likely to be reflective of all parties affected, and the capacity of the JCC to deliver beneficial outcomes. Giving both parties a voice in the design should therefore predict superior levels of trust, interpersonal and procedural justice judgments, and thus more commitment to the JCC itself (Dirks et al., 1996; Korsgaard et al., 1995).⁸

Preparations prior to the first meeting. (Stage T₃).

⁸ Pre-voice history may again prove influential here: if interpersonal justice and trustworthiness is unlikely to be met, a joint design may be counter-productive, or will require significant time and potentially external facilitation to get right.

Efforts to encourage trust and justice through protocols may increase the chances of trust and justice being realised in practice, but real world interpersonal interactions cannot be fully scripted. The inaugural meeting can be a fraught occasion, even despite a seemingly diligent design (see Beaumont and Hunter's account (2005) of the JCC at WhiskyCo), especially so for first-time experiences of formal consultation. As even the anticipation of injustices can lead to resistance (Shapiro and Kirkman, 1999), it is important to create a degree of readiness for the JCC before the actual meetings. Prior preparations may prove beneficial by neutralising negative pre-dispositions and cementing confident positive expectations, and by creating positive interpersonal justice perceptions as well as distributive and informational justice anticipations. We mean by 'preparations' any promotional activities and communications about the forum; training and support facilities provided to participants, and efforts to establish positive relations prior to the first official meeting.

Promotions.

Statements of public commitment and visible support for the JCC from each participating group can help foster participants', and their constituents', confidence in the JCC, as well as goodwill among the participants themselves, since such statements – if perceived as credible and sincere - are indicative of benevolence. They also infer a conviction in the JCC's likely efficacy, helping to create positive distributive and informational fairness anticipations. However, mis-alignment between “warm (promotional) words” and the actual design, and/or with consequent delivered outcomes, will undermine any JCC even before its first meeting. Over-promotion is a risk during this phase; trust and justice theories endorse communicating *enthusiastic but realistic* expectations, to avoid fuelling cynicism and mistrust by building up and then disappointing entitlements or, worse, breaking promises (Schweitzer et al., forthcoming; Tomlinson et al., 2004). Thus, we expect that promotions only have a positive long-term effect on trust and justice

perceptions if the expectations generated are aligned with the efficacy built into the JCC's design. The promotional campaign can also acknowledge the shadow of the pre-voice history: to portray the new forum as a separate entity if relations have been negative (i.e. the JCC constitutes a clear break from the past), but if relations have been broadly positive, the JCC may be pitched as a continuation, and extension, of this.

Training.

Ultimately, the JCC relies upon the effectiveness of its delegates. If either party suspects that other members, especially from the 'other side', are incapable of meaningful contributions to a constructive dialogue, the JCC is unlikely to succeed. The provision of training enhances parties' confidence in the ability of the JCC itself, by producing – if successful - knowledgeable and skilled JCC members (thus addressing the 'ability' dimension of its participants' trustworthiness and nurturing anticipatory distributive justice). It can also improve interpersonal communication, helping to prevent misunderstandings that may spark feelings of distrust and interpersonal and informational injustice. At minimum, participants should understand the purpose and scope of the JCC, be capable of understanding the complexities of organisational decision-making, and have the skills and sensitivities to offer relevant input. Common suggestions include the meaning of consultation; how to consult and be consulted; interpersonal conduct and communication in meetings; basic finance skills and employment law; understanding organisational strategy; understanding trade unions (where present), and presentation skills (ACAS, 2005; Beaumont and Hunter, 2003; IPA, 2001; Wilmott, 2004). Organisational support afforded to reps (e.g. training, but also facilities and time-off for rep duties), may also be seen as an act of managerial benevolence. Provision of training is expected to be positively associated with participants' trust and justice perceptions, and with anticipations of the JCC's effectiveness. Practitioner guidelines all recommend *joint* training which, if successful, should develop mutual expectations of

interpersonal justice and trustworthiness, and align participants' motives and ambitions regarding the JCC. However, future research could test whether joint training is superior to separate training, given the two constituencies' different learning needs.

Pre-meetings.

Given that people trust those whom they know as people rather more than as role incumbents (McKnight et al., 1998), planned efforts to foster positive interpersonal relations prior to the first meeting may increase trust. Such a 'getting-to-know-you' preparatory event may involve formal trust-building/ justice training (Greenberg, 1994; Skarlicki and Latham, 2005), or simply an opportunity to chat informally. If successful, this can provide additional evidence of participants' likely ability, benevolence and integrity, and can promote positive interpersonal justice perceptions, by strengthening JCC members' attachment to one another (Korsgaard et al., 1995) and diminishing the effect of potentially polarising status differentials. Moreover, such an effort is over and above what is institutionally required, or has been normatively recommended, and hence may be seen as an example of organisational benevolence.

Overall, we expect that greater use of these 'preparation' efforts will be positively associated with higher levels of perceived trustworthiness and justice, and a more effective JCC. We also envisage the preparations to have an effect on the support for JCCs and the future functioning of the JCC, via their impact on different aspects of trustworthiness and justice.

The first meeting (Stage T₄).

While pre-voice history, participants' pre-dispositions and previous fairness experiences, the design, and preparatory support are all expected to be strong predictors of the initial interactions among the participants, these prior endeavours serve only as proxies for trust and justice,

building anticipations about the treatment participants can expect. However, as Heller and colleagues note, “formally prescribed (*de jure*) and actual (*de facto*) participation are far from perfectly correlated” (1998: 216). Any promotional communications and institutional protocols can have only given information *about* the JCC, not *from* it directly. Moreover, since people react more strongly to direct experiences than to mere expectations (Ambrose and Cropanzano, 2003), and tend to privilege evidence from direct experience over institutional structures, these variables’ influence will diminish over time once direct evidence of parties’ conduct emerges (McKnight et al., 1998). If there has been no previous joint endeavour (e.g. in the design, or preparations), the inaugural JCC meeting will be the first direct interaction among the final group of JCC participants. The meeting will also be participants’ first direct experience of *de facto* issues pertaining to justice and trust such as the content of the consultative agenda, the extent of information sharing, the quality of interaction and dialogue. Both trust and justice rely upon participants’ actual experience of the JCC matching positive expectations, or disconfirming negative ones. In short, the first meeting is a pivotal event for the further course of the JCC.

In such situations of change and uncertainty, people look out more for justice signals (Greenberg, 2001). Past longitudinal research in different contexts indicates that processes, information and interactions tend to be more important than actual outcomes early on in a change or in a new exchange. Outcomes become more critical as time passes (Ambrose and Cropanzano, 2003; Fortin, 2006). Cues to procedural justice have been found to be particularly important in the initial sense-making phases of relationships (Cropanzano et al., 2001). We expect to observe a similar effect with new JCCs, with procedural rather than distributive concerns dominating early proceedings. Similarly, we expect participants to be less concerned in the first meeting with others’ benevolence (in the sense of bestowing benefits), and will value more evidence of stable ability, integrity, and benevolence (in the sense of benign motives).

This presents participants with another intriguing dilemma that underscores the central point of needing to understand, and carefully manage, expectations. The dilemma centres on the attraction, even temptation, of securing ‘quick wins’ (Weick, 1984; see also Kotter, 1995) to generate early momentum by demonstrating the JCC’s effectiveness, versus the need to get the processes and interpersonal conduct right, and as a result postponing the delivery of measurably beneficial outcomes. While securing immediate wins can be a powerful indicator of benevolence and ability, and of distributive justice, this option can carry in its wake the risk of being unsustainable: the ‘honeymoon effect’ identified by Heller et al. (1998: 215). In addition, the Reeder and Brewer schema (1979) cautions against prejudicing a reputation for integrity by neglecting process. Additionally, Heath, Knez and Camerer (1993) advise that the careful management of preference formation or entitlements may avoid perceptions of change as an unfair violation of an entitlement, and a distributive injustice. Quick wins are also likely to focus participants’ judgments on distributive justice at the expense of procedural justice. This is supported by van den Bos (2001) who found that people tend to give more weight to the justice information they receive first. In short, expectations of a *viable process* are more sustainable: both parties may agree on fair procedures over time, but over the course of the consultation process it is unlikely that each party will always receive their desired outcomes. This suggests that it is sensible of participants to steer away from trying to create artificially positive outcomes for the *first* meeting, and to concentrate on building an effective process instead.

As well as effective procedures, the quality of relational conduct is critical for the first meeting (i.e. actual, rather than institutionally-derived, trustworthiness and interpersonal justice). Indeed, as we argued above, interpersonal conduct may set the tone more powerfully than even protocols or preparations. Sensitive, respectful treatment enhances trust and justice and leads to increased

collaboration (Colquitt et al., 2001) as, according to exchange theories (Blau, 1964; Cropanzano and Prehar, 1999, April), positive conduct is likely to be reciprocated, creating a “virtuous” cycle of reciprocity. Recall that the Dutch Kerkhof et al study (2003) found stronger evidence for relational antecedents to trust in management than more instrumental (i.e. distributive) concerns.

Given its vital importance for the effectiveness of the entire consultative process, adequate information flows must be forthcoming from the very first meeting. The trust implied in sharing and receiving confidential information should strengthen relations (Mayer et al., 1995), while we have argued above that failure to do so appropriately will hamper the JCC from the outset. However, Dirks and Ferrin (2001: 452) found support for trust’s effect on information sharing in only six of ten studies. The conditions that facilitate information sharing remain under-explored.

In sum, we propose that for the first meeting, procedural fairness, interpersonal conduct and informational justice will be more effective for nurturing trust and justice than delivering tangible benefits or decision outcomes. Note, however, that in Figure 1 a poor experience at the first meeting can be addressed by returning to the design of the JCC to rectify anomalies, or sources of confusion or suspicion.

Subsequent meetings. (Stage T₅)

Even if the preparations and the first meeting have gone well, progress requires sustained momentum, not only to combat apathy (Wilmott, 2004: 46, 48-50), but also to avoid damaging what trust has been built up, and creating perceived injustices.

One potential danger with providing elements of fair treatment is that people perceive them as entitlements. When they disappear, people who experienced fair treatment may react more negatively than others who did not (Brockner et al., 2000). For the previous phase, we proposed

that procedural, interpersonal and informational justice, and the ability and integrity dimensions of trustworthiness, are expected to be most influential in the first few meetings. Over time, after the first few meetings, distributive and benevolence concerns will become more and more salient, especially as participants begin to have direct experiences with the outcomes achieved (Ambrose and Cropanzano, 2003; Fortin, 2006). In other words, an effective procedure may count for little in the long run if it fails to deliver tangible benefits. Desired outcomes of the consultation process for employees include being informed, having influence on decision-making, and receiving tangible and intangible benefits from these decisions. Desired outcomes for managers include better decision-making and/or improved buy-in and support from employees. Without following through on expectations generated with tangible outcomes, participants, but especially employees, will dismiss the forum as a ‘sham’ and a mere ‘talking shop’ (see Broad, 1994; also Gollan, 2001).

Whitener et al (1998) cite ‘delegation and sharing of control’ – permitting an input into decision-making – as a trust-inspiring behaviour. However, such ‘voice’ may only reap its desired positive effects if *consideration*, an aspect of conduct relating to genuine attention to the other party’s input, is present: “If people’s input is solicited but ignored, voice is void of meaning” (Korsgaard et al., 2002: 64). Korsgaard and colleagues’ study found that consideration had a positive effect on commitment to group decisions, and on group attachment and trust in the leader, but levels for the latter two decreased when there was no consideration of input. Their research indicates that consideration has an effect on procedural fairness perceptions independent of whether the input will actually be taken into account when making the decision.

Different forms of justice are interrelated, such that people typically react less negatively to unsatisfactory and unfair outcomes if procedures or conduct are fair, or if they have received

adequate explanations and information to justify the outcomes (Folger and Cropanzano, 1998). Research indicates however that this effect may not be sustainable: people who have experienced numerous injustices are less likely to accept explanations or social accounts (Davidson and Friedman, 1998). On this point, we reiterate that the quality of information flows (in clarity, adequacy, and sincerity terms) will be a further determinant of the course of JCCs over time (Bies et al., 1988). The use of convincing, honest explanations, apologies and social accounts for decisions is likely to significantly improve reactions to the JCC's decisions, and may also be taken as indication of a party's ability and integrity (Sitkin and Bies, 1993; Bottom et al., 2002). In the context of JCCs, information itself may prove a valued outcome (i.e. being more informed), making the distinction between the four dimensions of justice somewhat fluid in this respect (an issue that has been described by Cropanzano and Ambrose, 2001). However, an interesting potential paradox is that the more employee reps understand pressures on management in decision-making the more evidence may be accrued of the inherent conflict of interest between the two parties (cf. Edwards, 1986), such that the provision of confidential information, far from enhancing trust and justice, may in fact contain the seeds of increased employee cynicism and even militancy (see Broad, 1994).

In sum, we anticipate that distributive justice and benevolence (in the sense of receiving mutually beneficial outcomes) will be the most important determinants of buy-in *in the long term*. However, appropriate expectation setting in the beginning is crucial, as is the ability of participants to create wins for both parties.

The medium-term future of the JCC.

We have identified carry-over effects among the five stages, producing virtuous or vicious cycles of engagement. While we cannot argue that these developments will necessarily occur in

a linear fashion – trust can be broken and repaired, and justice perceptions can change – tendencies towards either strengthening or weakening trust and justice perceptions are likely to be observable at least in the medium-term future. Thus, we expect that the JCC will become institutionalised as a feature of the organisation if participants’ positive expectations and perceptions have been sustained, but will suffer from atrophy and wither into obscurity and death if these are repeatedly undermined or left unrealised.⁹

Conclusions

By using the lenses of trust and justice we hope to have provided a comprehensive framework for researchers to investigate the exchange relationship between management delegates and employee representatives on a joint consultative committee. The framework seeks to explain and predict the forum’s progress over time through what the different stakeholders may perceive to be central determinants of the fairness and trustworthiness in the JCC process; the likely effects of various structural and conduct-based interventions, and the most important outcomes. We also hope the framework can help practitioners to manage the various stages of the establishment of a JCC by taking an incremental approach to nurturing and modifying participants’, and wider constituencies’, expectations of trustworthiness and justice over the life-cycle of the JCC (cf. Figure 1). To do so, we posit that different aspects of fairness and trustworthiness need to be prioritised at different stages in the process.

For future research, we believe that understanding the nature of a JCC in social exchange terms is valuable, and illuminating. Researchers will be unable to account fully for cycles of

⁹ MacInnes (1985: 104, cited in Marchington, 1987: 345) provides a vivid account of the demise of a JCC: “eventually either one of the parties decides the effort is not worthwhile and the attempt is abandoned, or consultation becomes a very marginal activity, going through the motions on a diet of trivial issues. There is rarely a dramatic end. Usually committees become progressively less regular and meaningful as members fail to turn up or have more pressing priorities. Eventually someone not only forgets to organise a meeting, others forget that they have forgotten”.

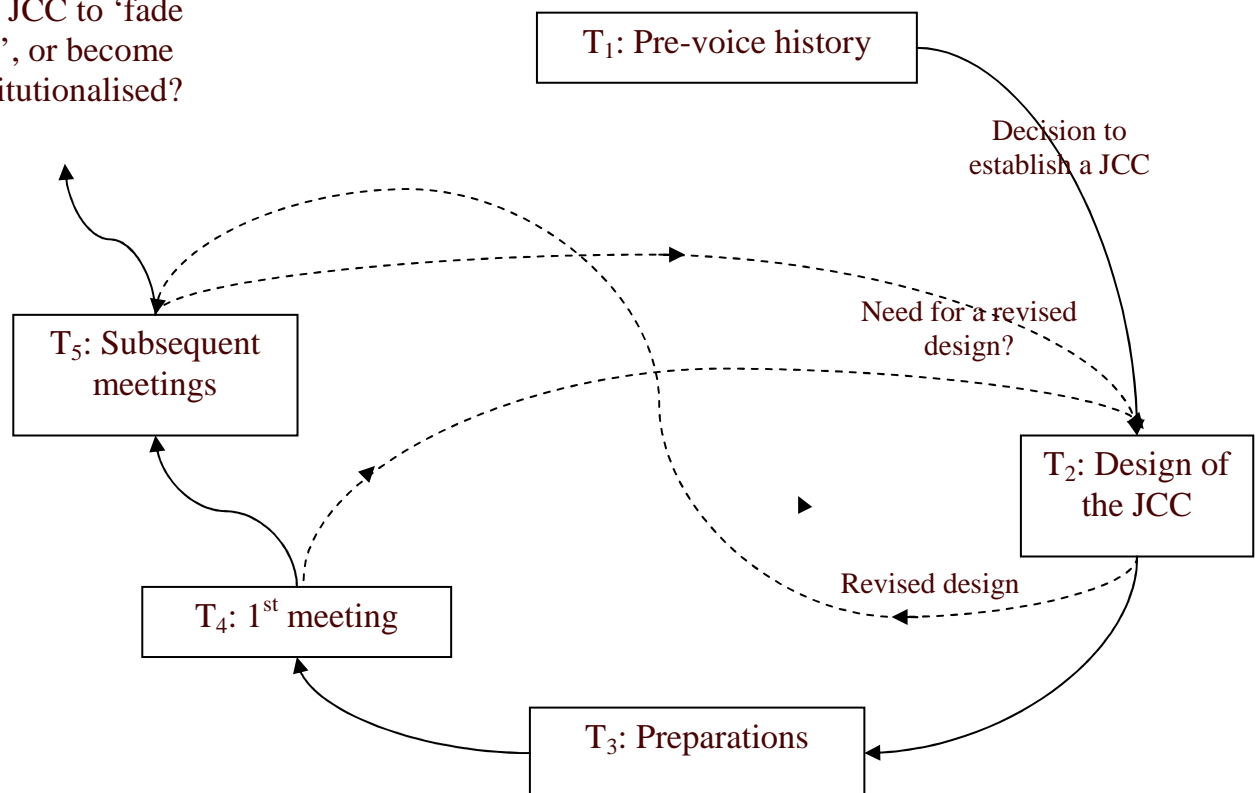
engagement among JCC participants without reference to the perspectives of each ‘side’. To privilege managers’ perceptions over those of the other parties runs the risk of telling only a partial story, and will lead to a reduced power to explain events over time. This points to the need for multiple-rater/ respondent study designs. Our iterative framework of highly interdependent phases also necessitates research methods that track progress of participants’ beliefs, interpretations of events and attitudes over time. This holds true both for qualitative and for quantitative approaches: cross-sectional surveys or a ‘single snapshot’ set of interviews are unable to capture such processes.

The deliberately vague official guidelines on the introduction of JCCs provide researchers with the opportunity to compare very different approaches: how does trust and justice fare under minimum compliance with the Directive – putting in place a nominal amount of voice with little input, consideration or infrastructural support - compared with a JCC that exceeds the statutory requirements? Which interventions work best? Our framework strongly implies that a “bare bones” approach will be less than what is needed for a JCC to be ‘workable’ and sustainable. (Of course, this may be some managers’ tactic, to engineer employees’ indifference.) In order to build a sustainable JCC, parties need to take into account the four dimensions of justice as outlined above. Yet to reach higher levels of effectiveness, actions beyond the parameters of justice theory, and into the realm of trust (notably benevolence and confident risk-taking), may be necessary.

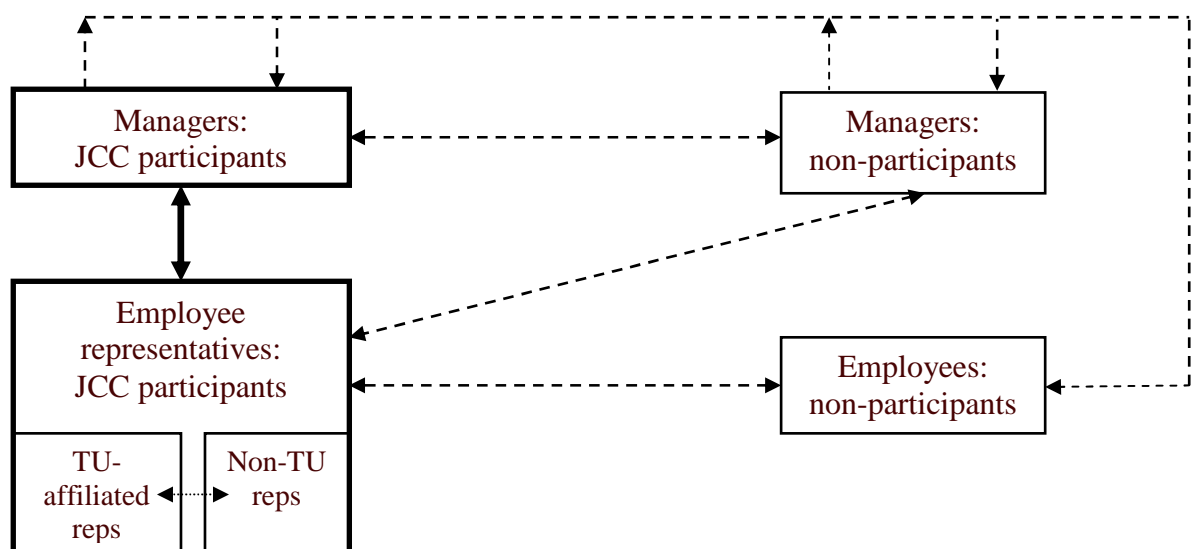
While morality and ethics have not been the focus of this paper, we do not intend to promote cynical window-dressing or setting shamefully low employee expectations in order to fulfil them. Indeed, our framework suggests that such a strategy is not only ethically wrong, but also likely to prove unsustainable, and ultimately counter-productive.

We conclude with commentary on the risk taking that JCCs imply for both managers and reps. Managers face the dilemma between setting high or low expectations. Low expectations may be easier to fulfil and to sustain, but may forego opportunities for significant relationship development, and it is not sure whether the purposes of consultation can ultimately be served by this tactic. High expectations on the other hand may be both harder to fulfil and to sustain, but can potentially realise more positive outcomes, thereby becoming their own reward. Managers will need to decide “how much voice do they dare?” Similarly, British trade unions’ long-standing wariness of JCCs seems at present to be holding firm. But are they playing into managers’ hands by not raising employees’ expectations on what *real* voice should look like, and not taking this legislatively-backed opportunity to extend employees’ influence at work? It remains to be seen how far employee reps – unionised or otherwise - are willing to engage in open and honest conversation with management and to bear the responsibilities that come with increased involvement in decision-making. The question here is, “how much voice can employees really cope with?”

The JCC to ‘fade out’, or become institutionalised?



KEY: \longleftrightarrow The principal relationship under examination.
 -----> Additional organisational relationships that will affect the principal relationship.



REFERENCES.

- ACAS (2005) *Information and consultation guidelines*. Available on the ACAS website: www.acas.org.uk.
- Adams, J. S. (1965) Inequity in Social Exchange. In Berkowitz, L. (ed) *Advances in experimental social psychology*. New York: Academic Press.
- Ambrose, M. L. & Cropanzano, R. (2003) A Longitudinal Analysis of Organizational Fairness: An Examination of Reactions to Tenure and Promotion Decisions. *Journal of Applied Psychology*, 88: 266-275.
- Beaumont, P. & Hunter, L. (2003) *Information and consultation: from compliance to performance*, London: CIPD.
- Beaumont, P. & Hunter, L. (2005) *The processes of consultation*. Paper presented at the 'Voice and value' conference, London School of Economics, 18 March
- Bies, R. J. & Moag, J. (1986) Interactional Justice: Communication criteria of fairness. In Lewicki, R., Sheppard, B. & Bazerman, M. (eds) *Research on Negotiation in Organizations*. Greenwich: JAI Press.
- Bies, R. J. & Shapiro, D. L. (1987) Interactional Fairness Judgements: The Influence of Causal Accounts. *Social Justice Research*, 1: 199-219.
- Bies, R. J. & Shapiro, D. L. (1988) Voice and justification: Their influence on procedural fairness judgments. *Academy of Management Journal*, 31: 676-685.
- Bies, R. J., Shapiro, D. L. & Cummings, L. L. (1988) Causal accounts and managing organizational conflict: Is it enough to say it's not my fault? *Communication Research*, 15: 381-399.
- Blau, P. M. (1964) *Exchange and power in social life*, New York: Wiley.
- Bottom, W. P., Gibson, K., Daniels, S. & Murnighan, J. K. (2002) When talk is not cheap: Substantive penance and expressions of intent in rebuilding cooperation. *Organization Science*, 13: 497-513.
- Broad, G. (1994) Japan in Britain: the dynamics of joint consultation. *Industrial Relations Journal*, 25: 26-38.
- Brockner, J., Chen, Y.-R., Mannix, E. A., Leung, K. & Skarlicki, D. P. (2000) Culture and Procedural Fairness: When the Effects of What you do depend on how you do it. *Administrative Science Quarterly*, 45: 138-159.
- Brockner, J., & Siegel, P. 1996. Understanding the interaction between procedural and distributive justice: The role of trust. In R.M. Kramer & T.R. Tyler (Ed.) *Trust in organizations: frontiers of theory and research*: 390-413. Thousand Oaks, CA: Sage.
- Brockner, J. & Wiesenfeld, B. M. (1996) An integrative framework for explaining reactions to decision: Interactive effects of outcomes and procedures. *Psychological Bulletin*, 120: 189-208.
- Byrne, Z. S. & Cropanzano, R. (2001) The History of Organizational Justice: The Founders Speak. In Cropanzano, R. (ed) *Justice in the Workplace: From Theory to Practice*. Mahwah, New Jersey: Lawrence Erlbaum Associates.
- Colquitt, J. A. (2001) On the Dimensionality of Organizational Justice: A Construct Validation of a Measure. *Journal of Applied Psychology*, 86: 386-400.
- Colquitt, J. A., Conlon, D. E., Wesson, M. J., Porter, C. O. & Ng, K. Y. (2001) Justice at the millennium: a meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86: 425-445.
- Cropanzano, R. & Ambrose, M. L. (2001) Procedural and Distributive Justice Are More Similar than You Think: A Monistic Perspective and a Research Agenda. In Greenberg, J. & Cropanzano, R. (eds) *Advances in Organizational Justice*. Stanford, California: Stanford University Press.
- Cropanzano, R., Byrne, Z. S., Bobocel, R. & Rupp, D. (2001) Moral Virtues, Fairness Heuristics, Social Entities and Other Denizens of Organizational Justice. *Journal of Vocational Behavior*, 58: 164-209.
- Cropanzano, R. & Prehar, C.A. (1999, April) Using social exchange theory to distinguish procedural from interactional justice. *Paper presented at the Annual Meeting of the Society for Industrial and Organizational Psychology*. Atlanta, GA.
- Cully M, O'Reilly A, Millward N, Forth J, Woodland S, Dix J & Bryson A (2000). *Britain at work: as depicted by the 1998 workplace employee relations survey*. London: Routledge

- Davidson, M. & Friedman, R. A. (1998) When excuses don't work: the persistent injustice effect among Black managers. *Administrative Science Quarterly*, 43: 154-183.
- Deutsch, M. (1975) Equity, equality, and need: What determines which value will be used as the basis for distributive justice? *Journal of Social Issues*, 31: 137-149.
- Dirks, K., Cummings, L. & Pierce, J. (1996) Psychological ownership in organizations: Conditions under which individuals promote and resist change. *Research in Organizational Change and Development*, 9: 1-23.
- Dirks, K & Ferrin, D.F (2001). The role of trust in organizational settings. *Organization Science*. 12: 450-467
- Driscoll, J. W. (1978) Trust and participation in organizational decision-making as predictors of satisfaction. . *Academy of Management Journal*, 21: 44-56.
- Dundon, T., Wilkinson, A., Marchington, M. & Ackers, P. (2004) The meanings and purpose of employee voice. *International Journal of Human Resource Management*, 15: 1149-1170.
- Edwards, P. (1986) *Conflict at work*, Oxford: Blackwell.
- Folger, R. (1986) Rethinking Equity theory: A referent cognitions model. In Bierhoff, H.-W., Cohen, R. L. & Greenberg, J. (eds) *Justice in social relations*. New York: Plenum.
- Folger, R. & Cropanzano, R. (1998) *Organizational Justice and Human Resource Management*, London: Sage Publications.
- Folger, R. & Cropanzano, R. (2001) Fairness Theory: Justice as Accountability. In Greenberg, J. & Cropanzano, R. (eds) *Advances in Organizational Justice*. Stanford, California: Stanford University Press.
- Fortin, M. (2006) Fairness, Outcomes, Expectations: exploring the drivers of individual reactions to planned organisational change *Ph.D. thesis. School of Business Studies*. Dublin: Trinity College.
- Fox, A. (1974) *Beyond Contract: Work, Power and Trust Relations.*, London: Faber and Faber.
- Gollan, P. (2001) Tunnel vision: non-union employee representation at Eurotunnel. *Employee Relations*, 23: 376-400.
- Granovetter, M. (1985) Economic action and social structure: A theory of embeddedness. *American Journal of Sociology*, 91: 481-510.
- Greenberg, J. (1990) Organizational justice: Yesterday, today, and tomorrow. *Journal of Management*, 16: 399-432.
- Greenberg, J. (1993) The social side of fairness: Interpersonal and informational classes of organizational justice. In Cropanzano, R. (ed) *Justice in the workplace: Approaching fairness in human resource management*. Hillsdale, NJ: Erlbaum.
- Greenberg, J. (1994) Using socially fair treatment to promote acceptance of a work site smoking ban. *Journal of Applied Psychology*, 79: 288-297.
- Greenberg, J. (2001) The Seven Loose Can(n)ons of Organizational Justice. In Greenberg, J. & Cropanzano, R. (eds) *Advances in Organizational Justice*. Stanford, California: Stanford University Press.
- Guest, D.E. and Peccei, R. (2001). 'Partnership at work: mutuality and the balance of advantage'. *British Journal of Industrial Relations*, 39: 207-236.
- Heath, C., Knez, M. & Camerer, C. (1993) The strategic management of the entitlement process in the employment relationship. *Strategic Management Journal*, 14: 75-93.
- Heller, F., Pusic, E., Strauss, G. & Wilpert, B. (1998) *Organizational participation: myth and reality*, Oxford: Oxford University Press.
- Homans, G. C. (1961) *Social behaviour: Its elementary forms*, London: Routledge and Kegan Paul.
- IPA (2001) *Sharing the challenge ahead: informing and consulting with your workforce*, London: Involvement and Participation Association
- IPA (2002) *Informing & Consulting your Workforce: Peabody Trust*, London: IPA.
- IPA (2004a) *Informing & Consulting your Workforce: Handling restructuring at BP Exploration*, London: IPA.
- IPA (2004b) *Informing & Consulting your Workforce: United Welsh Housing Association*, London: IPA.
- IPA (2005) *Informing & Consulting your Workforce: The Egg People Forum*, London: IPA.
- Kerkhof, P., Winder, A. B. & Klandermans, B. (2003) Instrumental and relational determinants of trust in management among members of Dutch works councils. *Personnel Review*, 32: 623-637.

- Kessler, I. & Purcell, J. (1996) The value of joint working parties. *Work, Employment and Society*, 10: 663-682.
- Kim, P.H, Ferrin, D.L., Cooper, C.D., & Dirks, K.T. 2004. Removing the shadow of suspicion: the effects of apology versus denial for repairing competence- versus integrity-based trust violations. *Journal of Applied Psychology*, 89 (1): 104-118.
- Korsgaard, M. A., Sapienza, H. J. & Schweiger, D. M. (2002) Beaten Before Begun: The Role of Procedural Justice in Planning Change. *Journal of Management*, 28: 497-516.
- Korsgaard, M. A., Schweiger, D. M. & Sapienza, H. J. (1995) Building Commitment, Attachment, and Trust in Strategic Decision-Making Teams: The Role of Procedural Justice. *The Academy of Management Journal*, 38: 60-84.
- Kotter, J. P. (1995) Leading Change: Why transformation efforts fail. *Harvard Business Review*: 59-67.
- Kramer, R. M. (1996) Divergent realities and convergent disappointments in the hierarchic relation: Trust and the intuitive auditor at work In Kramer, R. M. & Tyler, T. R. (eds) *Trust in organizations: frontiers of theory and research*. Thousand Oaks, CA: Sage.
- Leventhal, G. S. (1976) The distribution of rewards and resources in groups and organizations. In Berkowitz, L. & Walster, E. (eds) *Advances in experimental social psychology*. New York: Academic Press.
- Leventhal, G. S. (1980) What should be done with equity theory? In Gergen, K. J., Greenberg, M. S. & Willis, R. H. (eds) *Social exchanges: Advances in Theory and Research*. New York: Plenum.
- Lewicki, R., McAllister, D. & Bies, R. J. (1998) Trust and Distrust: New relationships and realities. *Academy of Management Review*, 23: 438-458.
- Lewicki, R. J. & Bunker, B. B. (1996) Developing and Maintaining Trust in Work Relationships. In Kramer, R. M. & Tyler, T. R. (eds) *Trust in Organizations: Frontiers of Theory and Research*. Thousand Oaks, CA: Sage.
- Lewicki, R. J., Wiethoff, C. & Tomlinson, E. C. (2005) What is the Role of Trust in Organizational Justice? In Greenberg, J. & Colquitt, J. A. (eds) *Handbook of Organizational Justice*. Mahwah, NJ: Lawrence Erlbaum Associates.
- Lind, E. A. (2001) Fairness Heuristic Theory: Justice Judgements as Pivotal Cognitions in Organizational Relations. In Greenberg, J. & Cropanzano, R. (eds) *Advances in Organizational Justice*. Stanford, California: Stanford University Press.
- Lind, E. A. & Tyler, T. R. (1988) *The social psychology of procedural justice*, New York: Plenum.
- Marchington, M. (1987) A review and critique of research on developments in joint consultation. *British Journal of Industrial Relations*, 25: 340-352.
- Marchington, M. (1994) The dynamics of joint consultation. In Sisson, K. (ed) *Personnel Management: a comprehensive guide to theory and practice in Britain*. Oxford: Blackwell.
- Marchington, M., Wilkinson, A., Ackers, P. & Dundon, T. (2001) *Management choice and employee voice*, London: CIPD.
- Mayer, R. C., Davis, J. H. & Schoorman, F. D. (1995) An integrative model of organizational trust. *Academy of Management Review*, 20: 709-734.
- McEvily, B., Perrone, V. & Zaheer, A. (2003) Trust as an organizing principle. *Organization Science*, 14: 91-103.
- McKnight, D.H., Cummings, L.L. & Chervany, N.L. (1998) Initial trust formation in new organizational relationships. *Academy of Management Review*, 12: 473-490.
- Perrone, V., Zaheer, A. & McEvily, B. (2003) Free to be trusted? Organizational constraints on trust in boundary spanners. *Organization Science*, 14: 422-439.
- Ramsay, H. (1976) Participation: the shop floor view. *British Journal of Industrial Relations*, 14: 128-141.
- Reeder, G. D. & Brewer, M. B. (1979) A schematic model of dispositional attribution in interpersonal perception. *Psychological Review*, 86: 61-79.
- Rousseau, D. M., Sitkin, S. B., Burt, S. R. & Camerer, C. (1998) Not so different after all: A cross-discipline view of trust. *Academy of Management Review*, 23: 393-404.
- Sampson, E. E. (1975) On justice as equality. *Journal of Social Issues*, 31: 45-64.
- Saunders, M.N.K, Thornhill, A. & Lewis, P. (2002) Understanding Employees' Reactions to the Management of Change: An Exploration through an organizational justice framework. *Irish Journal of Management*, 23: 85-108

- Saunders M.N.K and Thornhill, A (2004) Trust and mistrust in organisations: An exploration using an organisational justice framework *European Journal of Work and Organisational Psychology* 13.4, 492-515.
- Schweitzer, M.E., Hershey, J.C and Bradlow, E.T (forthcoming). 'Promises and lies: restoring violated trust. *Organizational Behavior and Human Decision Processes*.
- Shapiro, D. L. & Kirkman, B. L. (1999) Employees' reaction to the change to work teams: The influence of "anticipatory" injustice. *Journal of Organizational Change Management*, 12: 51-66.
- Shapiro, D. L. & Kirkman, B. L. (2001). Anticipatory Injustice: The Consequences of Expecting Injustice in the Workplace. In Greenberg, J. & Cropanzano, R. (eds) *Advances in Organizational Justice*. Stanford, California: Stanford University Press.
- Shaw, J. C., Wild, E. & Colquitt, J. A. (2003) To Justify or Excuse?: A Meta-Analytic Review of the Effects of Explanations. *Journal of Applied Psychology*, 88: 444-458.
- Sitkin, S. B. & Bies, R. J. (1993) The legalistic organization: definitions, dimensions, and dilemmas. *Organization Science*, 4: 345-351.
- Sitkin, S. B. & Roth, N. L. (1993) Explaining the limited effectiveness of legalistic 'remedies' for trust/distrust. *Organization Science*, 4: 367-392.
- Skarlicki, D. P. & Latham, G. P. (2005) How Can Training Be Used to Foster Organizational Justice? In Greenberg, J. & Colquitt, J. A. (eds) *Handbook of Organizational Justice*. Mahwah, New Jersey: Lawrence Erlbaum Associates.
- Slovic, P. (1993) Perceived risk, trust, and democracy. *Risk Analysis*, 13: 675-682.
- Spreitzer, G. M. & Mishra, A. K. (1999) Giving up without losing control: trust and its substitutes' effects on managers' involving employees in decision-making. *Group and Organization Management*, 24: 155-187.
- Thibaut, J. & Walker, L. (1975) *Procedural Justice*. Hillsdale, NJ: Erlbaum.
- Thornhill, A. & Saunders, M. N. (2003) Exploring Employees' Reactions to Strategic Change Over Time: The Utilisation of an Organisational Justice Perspective. *The Irish Journal of Management*, 24: 66-86.
- Tomlinson, E.C., Dineen, B.R., & Lewicki, R.J. 2004. The road to reconciliation: antecedents of victim willingness to reconcile following a broken promise. *Journal of Management*, 30: 2: 165-188.
- Trevor, M. (1988) *Toshiba's new British company: competitiveness through innovation in industry*. London: Policy Studies Institute.
- Van den Bos, K. (2001) Fairness Heuristic Theory: Assessing the Information to Which People are Reacting has a Pivotal Role in Understanding Organizational Justice. In Gilliland, S. W., Steiner, D. D. & Skarlicki, D. P. (eds) *Theoretical and Cultural Perspectives on Organizational Justice*. Greenwich, CT: IAP.
- Van den Bos, K., Wilke, H. A. M., Lind, E. A. & Vermunt, R. (1998) Evaluating outcomes by means of the fair process effect: Evidence for different processes in fairness and satisfaction judgments. *Journal of Personality and Social Psychology*, 74: 1493-1503.
- Weick, K. (1984) Small Wins: Redefining the scale of social problems. *The American Psychologist*.
- Whitener E.M., Brodt S.E., Korsgaard M.A. & Werner J.M. (1998). Managers as initiators of trust: an exchange relationship framework for understanding managerial trustworthy behaviour. *Academy of Management Review*, 23: 513-530
- Wilkinson, A. & Ackers, P. (1995) When two cultures meet: new industrial relations at Japanco. *International Journal of Human Resource Management*, 6: 849-871.
- Wilmott, B. (2004) *Information and consultation: a guide*, London: CIPD.
- Zucker, L. G. (1986) Production of trust: institutional sources of economic structure, 1840-1920. *Research into Organizational Behavior*, 8: 53-111.